DISPATCH 16-3

Chief of Station, [Mexico City]

Chief, Western Hemisphere Division
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Operational Meeting with [KDACETONE-1]

16-3
Reference: [MEXICO CITY] 23282

1. In accordance with a policy decision to keep EKHERALD contact with U.S. business representatives discreet, a small luncheon was held in lieu of the customary formal briefings in the Headquarters building. 22 [KDACETONE-1], IDENTITY 1, David C. HIGBY and Floyd N. AIMONET attended the luncheon which was characterized by cordiality and candor. 22 [KDACETONE-1] waited until the conclusion of the meeting to raise his current favorite subject, that of countering the leftist propaganda contained in SIEMPRE. Fortunately, HIGBY was forewarned and effectively turned around the thrust of the effort upon [KDACETONE-1]'s shoulders, without offending him. IDENTITY impressed HIGBY with his interest, intelligence and sincerity. He offered the services of IDENTITY 2 to "do things" on our behalf but was convinced by HIGBY that the best way to approach the problem was through the independent use of individual members, rather than through IDENTITY 2 as an organization.

2. Discussions were held concerning Mexican affairs as well as Hemispheric trends. In the former category, our guests were most disturbed about the nationalization process in Mexico and enumerated

(continued)

Attachment:
IDENTITIES (USC)

Distribution:
3 - [COS, Mexico City] (W/Att. USC)
27, 16-3

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	22 [HMMW]-19451	
	SECRET	HQS FILE NUMBER 201-[030999] 23

Distribution:

1 - WH/[?] CHRONO
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C/WH/1 — John C. Murray

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the latest cases with some alarm. KDACKTONE-1 repeated his prediction that President ECHEVERRIA would effectively nationalize most private investment in Mexico before the end of his term.

3. The meeting was judged effective and afforded HICBY the opportunity to lay the ground work for his future relations with IDENTITY 2 members, while satisfying the guests' need for reassurances that our goals were parallel. They appeared happy with the conversations despite the informality.

Floyd R. ARMONET

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UNDER SEPARATE COVER ATTACHMENT TO: HMMW-19453

06, 08

IDENTITY #1 - George Blake, V.P. of American Chamber of Commerce

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IDENTITY #2 - American Chamber of Commerce Mexico

SECRET

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